

# Affordable Housing

Liana Escott and Jeremy Fink

[lescott@arapahoe.gov.com](mailto:lescott@arapahoe.gov)

[jfink@arapahoe.gov.com](mailto:jfink@arapahoe.gov)



# “Affordable” & “Attainable” Housing



## Affordable Housing

- Household paying no more than 30% of gross income, including utilities
- Doesn't include transportation costs, which is generally a household's second or third largest expense
- If you include transportation, usually referred to as “H&T Index”

## Attainable Housing

- New buzz word
- Often used interchangeably with affordable housing
- Generally means market rate, non-subsidized housing for 100% AMI +
- Being used to avoid the stigma and perception of “affordable” meaning low-income gov't assistance

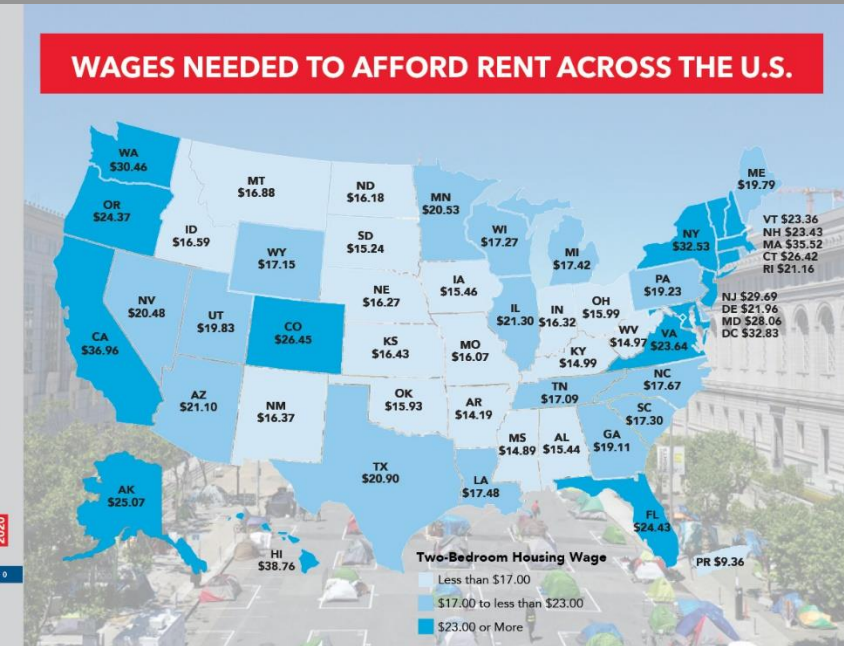


ARAPAHOE COUNTY

# “Housing Wage”

- National Low Income Housing Coalition
  - Annual Report, the Housing Wage
- <https://reports.nlihc.org/or>

- How much a person would need to earn full time (40 hours a week, 52 weeks a year) in order to afford one and two-bedroom rental units considered affordable by government standards
- Colorado – 9<sup>th</sup> Highest Housing Wage
  - \$26.45/hour required to afford a 2 bedroom rental
- Arapahoe County’s Housing Wage
  - 1 Bedroom = \$24.23
  - 2 Bedroom = \$30.12
  - 3 Bedroom = \$41.60



Arapahoe County’s Fair Market Rent

1 Bedroom = \$1,260

2 Bedroom = \$1,566

3 Bedroom = \$2,163



# Arapahoe County Housing Wages & Costs

- Hourly Wage to Afford 2 Bedroom Fair Market Rent = \$30.12
- Annual Income to Afford 2 Bedroom Fair Market Rent = \$62,640
- 2 Bedroom Fair Market Rent = \$1,566
- Full Time Jobs at Minimum Wage to Afford 2 Bedroom Fair Market Rent = 2.5
- Monthly Rent Affordable at 30% AMI = \$750



## MONTHLY COSTS

2 adults and 2 children  
Arapahoe County, CO

🏠 HOUSING	\$1,453
🍌 FOOD	\$797
👶 CHILD CARE	\$1,680
🚌 TRANSPORTATION	\$1,177
🏥 HEALTH CARE	\$966
💳 OTHER NECESSITIES	\$908
🔄 TAXES	\$1,209

**Monthly Total** **\$8,190**

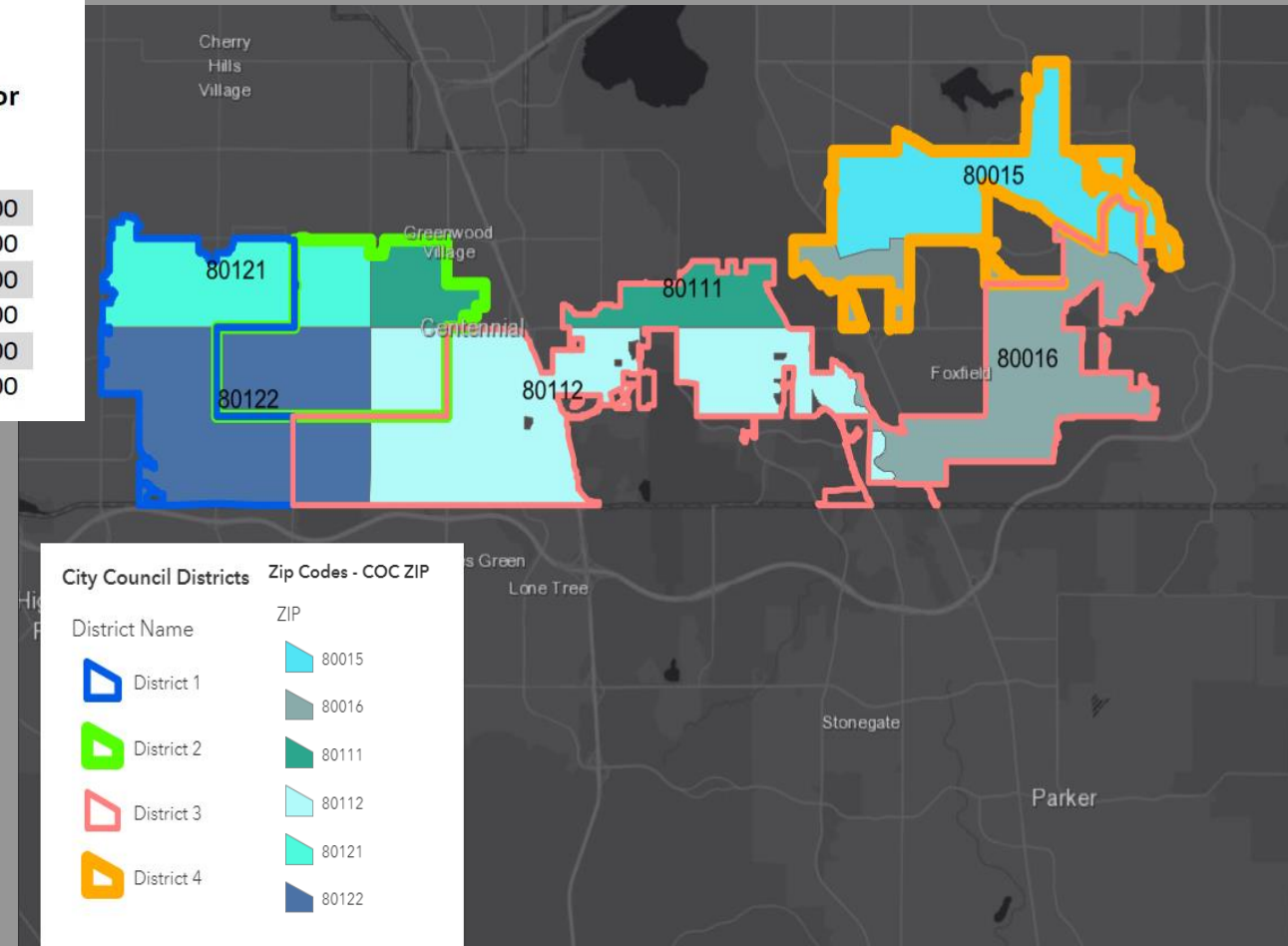
Sources: Economic Policy Institute,  
US Census

# Centennial Housing Wages & Costs

## Out of Reach 2020 Housing Wages & Fair Market Rents

Centennial Zip Code	One-Bedroom Housing Wage	Fair Market Rent for One-Bedroom	Two-Bedroom Housing Wage	Fair Market Rent for Two-Bedroom
80015	\$ 26.15	\$ 1,360.00	\$ 32.50	\$ 1,690.00
80016	\$ 30.96	\$ 1,610.00	\$ 38.46	\$ 2,000.00
80111	\$ 32.88	\$ 1,710.00	\$ 40.96	\$ 2,130.00
80112	\$ 30.19	\$ 1,570.00	\$ 37.50	\$ 1,950.00
80121	\$ 24.62	\$ 1,280.00	\$ 30.58	\$ 1,590.00
80122	\$ 30.38	\$ 1,580.00	\$ 37.69	\$ 1,960.00

- 4 of the 6 one-bedroom housing wages for Centennial are higher than the two-bedroom housing wages for Arapahoe County or Denver MSA.
- All 6 zip codes have higher two-bedroom housing wages than Arapahoe County averages





ARAPAHOE COUNTY

# Misconception #1

## Affordable housing will drive down property values.

### REALITY:

Numerous studies have shown that the effect on nearby property values from affordable housing developments is non existent or minimal, with some indicating a positive effect.

#### Examples:

- **Center for Housing Policy Insights**
  - Vast majority of studies have found that affordable housing does not depress neighboring property values, and may even raise them in some cases.
  - [https://furmancenter.org/files/media/Dont\\_Put\\_It\\_Here.pdf](https://furmancenter.org/files/media/Dont_Put_It_Here.pdf)
- **Trulia Study**
  - Showed no significant effect from 1996 to 2006 on home values located near LIHTC projects.
  - Study showed Denver actually saw a \$7/sq ft increase in value
  - <https://ced.sog.unc.edu/does-affordable-housing-negatively-impact-nearby-property-values/>







ARAPAHOE COUNTY

# Misconception #2

## Affordable Housing looks “cheap” and undesirable

### REALITY:

- Affordable Housing still has to comply with all the same restrictions on design and construction standards as market rate projects.
- Funding sources, especially public funds, often have additional requirements and restrictions
- The bottom left photo includes one market rate building and one affordable building, can you tell??





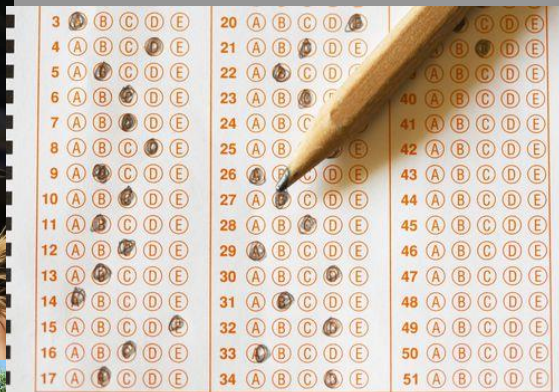
ARAPAHOE COUNTY

# Misconception #3

**Affordable Housing will reduce the quality of schools and hurt standardized test scores.**

## REALITY:

- When housing disruptions are minimized, everybody wins.
- Stable home generally means stable education.
- Montgomery County, Maryland, has one of the most extensive ordinances setting aside affordable units in any new residential development, and consequently its population is economically integrated. The county also has one of the nation's best school systems, proving that affordable housing may even contribute to school quality.







ARAPAHOE COUNTY

## Misconception #4

**Affordable Housing doesn't contribute to the local tax base and overburdens the local tax property system.**

### REALITY:

- Models exist to predict the local economic benefits of affordable housing developments.
  - Ex. National Association of Home Builders (NAHB)
  - [https://www.novoco.com/sites/default/files/atoms/files/nahb\\_jobs-report\\_2010.pdf](https://www.novoco.com/sites/default/files/atoms/files/nahb_jobs-report_2010.pdf)
  - Ripple Effect – construction activity is spent and recycled, new residents pay taxes and spend locally
- The estimated one-year local impacts of building 100 apartments in a typical family tax credit development include:
  - \$7.9 million in local income
  - \$827,000 in taxes and other revenue for local governments
  - 122 local jobs
- Annual recurring impacts of building 100 apartments in a typical family tax credit development include:
  - \$2.4 million in local income
  - \$441,000 in taxes and other revenue for local governments
  - 30 local jobs



Source: National Association of Home Builders



# Misconception #5

## Affordable Housing only benefits the very poor.

### REALITY:

#### Others who benefit:

- Employers
- Middle Class Families
- Seniors on Fixed Income
- Immigrants
- Entry Level and Service Workers
- Public Sector Employees

#### City benefit:

- Economic Development of the Region
- Traffic Congestion Decrease
- Commute Times
- Air Quality

### FY 2021 Income Limits for Arapahoe County – HOME/CDBG/ERA

Effective June 1, 2021

FY 2021 Income Limit Area	FY 2021 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
	<b>30% Extremely Low</b>	22,050	25,200	28,350	31,450	34,000	36,500	40,120	44,660
\$104,800	<b>50% Low</b>	36,700	41,950	47,200	52,400	56,600	60,800	65,000	69,200
	<b>80% Moderate</b>	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500



# Questions?

Liana Escott

Community Development  
Administrator

1690 W. Littleton Bld., Suite  
300

Littleton, Co 80120

[lescott@arapahoegov.com](mailto:lescott@arapahoegov.com)

Jeremy Fink

Community Development  
Administrator

1690 W. Littleton Bld., Suite  
300

Littleton, Co 80120

[jfink@arapahoegov.com](mailto:jfink@arapahoegov.com)

